

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

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Boston Gas Company d/b/a)	D.T.E. 03-40
Keyspan Energy New England)	
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THIRD SET OF INFORMATION REQUESTS
OF THE MASSACHUSETTS DEVELOPMENT FINANCE AGENCY

June 16, 2003

- MDFA 3-1 Please indicate how many customers are presently in the G-44 rate class and how many G-44 customers the Company had at the time of its rate case in 1996.
- MDFA 3-2 Please identify all other gas local distribution companies operating under price cap plans. For each LDC, please provide the following information:
- (a) Proposed productivity factor
 - (b) Approved productivity factor
 - (c) Proposed consumer dividend
 - (d) Approved consumer dividend
 - (e) Approved rate of return on equity
- MDFA 3-3 Please explain whether the Company considered alternative performance-based ratemaking plans before proposing to implement a second price cap. Explain in detail each method considered, and provide a detailed basis for its rejection. Provide copies of any documentation providing analysis of such alternatives.
- MDFA 3-4 Explain in detail why the Company proposes to continue to operate under a price cap given its assertions (KEDNE/LRK-1, at 6-7) regarding expected productivity being lower than during the term of its first price cap plan.

- MDFA 3-5 Please explain in detail how the Company is capable of seeking out and implementing efficiencies under a price cap form of regulation when a large amount of the Company's expenses are simply allocated to it pursuant to SEC formula.
- MDFA 3-6 Please provide the bill impacts that MDFA would experience in the peak and off-peak periods, expressed both in dollars and percentage increase to current distribution rates, if the Company's proposed rate increase were approved as proposed. Identify any assumptions used in responding to this request.
- MDFA 3-7 Refer to the Company's response to MDFA 3-6 and Mr. Kaufman's testimony, Exh. KEDNE/LRK-1, pages 3-4. Explain whether the proposed rate increases that would result from this proceeding at the outset as well as on an annual basis are consistent with Mr. Kaufman's statement that "rates should grow at the same rate that prices would be expected to grow in competitive markets."
- MDFA 3-8 Refer to Exh. KEDNE/LRK-1. Based on the changes to the price cap formula proposed in this proceeding as compared to the price cap plan implemented pursuant to D.P.U. 96-50, please provide a chart depicting (a) actual price cap increases on an annual basis pursuant to D.P.U. 96-50, by rate class; and (b) price cap increases that would have resulted if the currently proposed price cap plan were in effect, for the five-year period 1997-2001, by rate class.
- MDFA 3-9 Please provide copies of any prefiled testimony sponsored by Mr. Silvestrini in other regulatory proceedings from 1993 to the present.